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84TH CONGRESS
1ST SESSION

S. 1758

IN THE SENATE OF THE UNITED STATES

APRIL 20 (legislative day, APRIL 18), 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Bankhead-Jones Farm Tenant Act, as amended
4 (7 U. S. C. 1000 and the following), is further amended
5 as follows:

6 Title I of the Act is amended by the addition of the
7 following new section 16:

8 “SEC. 16. (a) The Secretary is authorized to insure
9 and to make commitments for the insurance of loans made
10 for the purposes specified in this title (including those made

1 in accordance with the Act of October 19, 1949) and to
2 take as security for the obligations entered into in connec-
3 tion with such loans first mortgages on the farms with
4 respect to which such loans are made and such other secu-
5 rity as may be required by the Secretary. Such mortgages
6 shall create a lien running to the United States for the
7 benefit of the fund, notwithstanding the fact that the note
8 may be held by the lender or his assignee.

9 “(b) Loans insured under this section shall be subject
10 to all the provisions of this title, except as otherwise provided
11 in this section, and with respect to such loans, the terms
12 used in this Act shall have the following meanings as the
13 context requires:

14 “(1) ‘Mortgage’ shall mean ‘loan’ or ‘the instruments
15 relating to a loan’;

16 “(2) ‘Insured mortgage’ shall mean ‘note endorsed for
17 insurance’;

18 “(3) ‘Mortgagor’ shall mean ‘borrower’ or ‘obligor on
19 the note’;

20 “(4) ‘Mortgagee’ shall mean ‘lender’ or ‘holder of in-
21 sured note’.

22 “(c) Any mortgage heretofore insured or any loan
23 heretofore made under this Act may be converted to an
24 insured loan under this section at the discretion of the
25 Secretary, and any expenses in connection with such con-

1 version may be paid out of appropriations for administrative
2 expenses.

3 “(d) In connection with loans insured or converted
4 under this section (1) the holder of the insured note shall
5 be entitled to receive the benefits of the insurance as provided
6 in section 13 (a) only in accordance with an agreement
7 pursuant to section 12 (j) or when the assignment of the
8 note is required by the Secretary, and (2) notice of default
9 to the lender under section 12 (f) shall not be required.”

10 SEC. 2. Section 12 (f) (1) is amended by striking the
11 word “promptly” in both the first and second sentences, by
12 inserting after the word “default” in the second sentence the
13 words “in the payment of principal or interest,” and by
14 striking the word “it” in the first sentence and inserting in
15 lieu thereof the word “him”.

16 SEC. 3. Section 12 (f) (2) is amended by striking the
17 word “promptly”.

18 SEC. 4. Section 13 (a) is amended by striking the words
19 “section 12” in the first sentence, inserting in lieu thereof
20 the words “this title”, and by inserting the words “in the
21 payment of principal or interest” after the word “default”
22 where it first appears in the first sentence.

A BILL

To amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

By Mr. ELLENDER

APRIL 20 (legislative day, APRIL 18), 1955
Read twice and referred to the Committee on
Agriculture and Forestry

June 28, 1955

6. LEGISLATIVE PROGRAM. The Majority Leader scheduled consideration of the conference reports on the Commerce Department appropriations and D. C. judges, and possibly S. 2090, the mutual security bill on Wed., June 29; and H. R. 7000, the new reserve forces bill on Thurs., June 30 (p. 8056).

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7. FORESTRY. Passed H. R. 5891, to amend the mining laws to provide for multiple use of the surface of the same tracts of the public lands, with an amendment to substitute the language of S. 1713 as reported (pp. 7965-81).

The bill provides that deposits of common varieties of sand, building stone, gravel, pumice, pumicite, and cinders on public lands shall be disposed of under the Materials Act instead of the mining laws; amends the Materials Act to give the Secretary of Agriculture the same authority with respect to the common, widespread mineral materials and vegetative materials located on lands under his jurisdiction as that which the Secretary of the Interior has with respect to lands under his jurisdiction; amends the general mining law to prohibit use of any hereafter located unpatented mining claim for any purpose other than prospecting, mining, processing, and related activities; vests in the responsible U. S. agency authority to manage and dispose of vegetative surface resources on such locations, to manage other surface resources (except minerals subject to the mining laws), and to use so much of the surface as is necessary for management purposes or for access to adjacent lands, except that such use must not endanger or materially interfere with mineral development; and establishes a procedure to quiet-title old mining claims.

Rejected a Malone amendment to confine operation of the bill to those lands coming within jurisdiction of the Forest Service (p. 7981). Rejected a Malone motion to recommit the bill until hearings could be held in the 11 Western States (p. 7980).

8. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 1792, to amend Sec. 10 of the Federal Employees Group Life Insurance Act of 1954, authorizing the assumption of the insurance obligations of any nonprofit association of Federal employees with its members (S. Rept. 686) (p. 7959).

S. 1849, to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment, was made the unfinished business (p. 8005).

Sen. Williams discussed "loopholes" in retirement laws, urged consolidation of various formulas under which Government employees can qualify for retirement, and listed four cases wherein the individuals involved "found a way to beat the Government retirement system", including a former employee of this Department (pp. 7995-6).

9. ELECTRIFICATION. Sen. Kefauver criticized the administration's power policies (pp. 7982-93).

10. RECLAMATION. Sen. Neuberger inserted a Denver Post editorial favoring the proposed Hells Canyon Dam (pp. 8005-6).

11. FARM LOANS. The Agriculture and Forestry Committee ordered reported S. 1758, to amend the Bankhead-Jones Farm Tenant Act to modify, clarify, and provide additional authority for insurance of loans (p. D626).

12. FORESTRY. The Interior and Insular Affairs Committee ordered reported without amendment H. R. 4046, to abolish the Old Kasaan National Monument, Alaska, and transfer its land to the Tongass National Forest (p. D626).
13. WATER RESOURCES. The Interior and Insular Affairs Committee ordered reported with amendment H. R. 3990, authorizing the Interior Department to investigate and report to Congress on the water resources in Alaska (p. D626).
14. WATER COMPACT. The Interior and Insular Affairs Committee ordered reported with amendment S. 787, granting consent of Congress to Missouri Basin States to negotiate a Missouri River Basin compact (p. D626).
15. LEGISLATIVE PROGRAM. Sen. Johnson announced that after the consideration today of the bill to grant career appointments in competitive civil service to certain indefinite employees, the following bills will probably be considered: To permit certain Federal employees to be given retirement credit for certain State service; readjust postal classification on educational and cultural materials; and any conference reports which may be presented (p. 7958).

ITEMS IN APPENDIX

- 15a. RECLAMATION; ELECTRIFICATION. Rep. Ostertag inserted an editorial from a Buffalo paper discussing proposals for public or private power development of Niagara Falls, which maintained that public power development is only seemingly cheap (p. A4705).

Rep. Wier inserted an article by a member of the Izaak Walton League urging that the upper Colorado bill be defeated to insure the permanent elimination of the Echo Park Dam from this project (p. A4708).

Rep. Hosmer inserted an editorial from a North Carolina paper disapproving of the upper Colorado project because it would benefit marginal areas not suitable for cultivation (p. A4732). In another statement, Rep. Hosmer criticized the Florida irrigation project in Colorado, a part of the upper Colorado project (p. A4740).

Rep. Hillings inserted the platform of the Young Republican National Federation, adopted at Detroit, Mich., June 18, 1955, which includes a statement approving the President's policy of partnership between public and private power interests in water resources development (p. A4735).

Rep. Dawson countered arguments that the upper Colorado reclamation project contained a "hidden interest subsidy," to be paid by all the States, claiming that money paid into the reclamation fund by the four States involved would take care of this item (p. A4740).
16. MUTUAL SECURITY. Rep. Bonner spoke in the House against the Burleson amendments to the Mutual Security Act, which would, he claimed, unduly subsidize foreign shipping companies (pp. A4704-5).

Rep. Bonner inserted a resolution of the Committee on Merchant Marine and Fisheries to delete certain provisions of the mutual security amendments regarding shipping (p. A4709).

Rep. Smith, Wis., inserted a statement by Dr. John H. Reisner, executive secretary for Agricultural Missions, Inc., giving recommendations regarding setting up an international organization to administer technical assistance in foreign countries (pp. A4724-5).

Rep. Tollefson criticized the Cargo Preference Act, stating that it does not guarantee that 50% of shipping will be carried by American ships (p. A4739).

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12. AIR POLLUTION. Agreed to House amendment to S. 928, to provide for research on, and control of, air pollution (pp. 8563-4). This bill will now be sent to the President. The House amendment increased from \$3 to \$5 million a year the authorized appropriation to HEW for each of the fiscal years beginning July 1, 1955 and ending June 30, 1960. For provisions of the bill see Digest 112, item 9.
13. FOREIGN AID. Sens. Green and Wiley were excused from further service as conferees on S. 2090, the mutual security bill, and Sens. Mansfield and Hickenlooper were appointed in their place (p. 8530).
- ~~14. TRADE DEVELOPMENT; ONIONS; FARM LOANS; TOBACCO; WEATHER. The Agriculture and Forestry Committee ordered reported without amendment S. 2253, to increase funds for P. L. 480 and transfer its administration to USDA; H. R. 122, to amend the Commodity Exchange Act so as to include onions; and with amendment S. 1758, to amend the Farm Tenant Act to provide additional authority for insurance of loans; S. J. Res 75, to provide for a report from this Department on tobacco research programs; with amendments S. Res 82, requesting a report from this Department on horticultural and agricultural weather forecasting; and an original resolution authorizing funds of \$20,000 for the committee to conduct field hearings on farm price support program (pp. D663-4).~~
15. EXPENDITURES; APPROPRIATIONS. Sen. Byrd inserted a statement of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to unexpended balances of Federal appropriations, together with a table summarizing the information compiled in a report on the same subject by the committee, as of March 31, 1955 (pp. 8531-2).
16. WHEAT. Sen. Neuberger stated that "in the recent wheat referendum farmers showed their concern over their loss of income by voting in larger percentages for a national support price" and inserted an editorial on this subject (pp. 8552-3).
17. WATER RESOURCES. Passed as reported H. R. 3990, authorizing the Interior Department to investigate and report to Congress on the water resources in Alaska (p. 8553).
18. DEFENSE PRODUCTION. S. 2391, to extend the Defense Production Act for 2 years was made the unfinished business (pp. 8553-4).
19. PROPERTY. The "Daily Digest" states that: The Government Operations Committee announced that the hearings, originally scheduled for July 7 and 8 on S. 2367, relating to the authority of GSA Administrator with respect to utilization and disposal of excess and surplus Government property under the control of executive agencies, have been rescheduled for July 13 and 14 (p. D664).
20. LEGISLATIVE PROGRAM. Sen. Clements announced that following completion of action on the bill to amend the Defense Production Act, the bills to negotiate a Missouri River Basin compact and to eliminate the 1-year limitation on the period of leases of space for Federal agencies in D. C. would be considered. He also announced that it would be the intention of the Senate to adjourn from today until Monday (p. 8554).

BILLS INTRODUCED

21. PERSONNEL. S. 2425, by Sen. Johnston, S. C. (for himself and others), to authorize the Civil Service Commission to make available on a voluntary basis, group hospital, surgical, medical, and other personal health service benefits for civilian officers and employees in the Federal service, through the facilities of prepayment group plans, group practice prepayment plans, Federal employee organizations, and insurance companies; to Post Office and Civil Service Committee (p. 8530).

H. R. 7179, by Rep. Broyhill, to amend section 1 (d) of the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 8623).

H. R. 7180, by Rep. Broyhill, to provide for the granting of career-conditional and career appointments in the competitive civil service to certain qualified employees of the Department of Corrections of the District of Columbia; to Post Office and Civil Service Committee (p. 8623).

22. PROPERTY. H. R. 7184, by Rep. Donohue, and H. R. 7191, by Rep. Philbin, to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to Government Operations Committee (p. 8624).

ITEMS IN APPENDIX

23. RECLAMATION; ELECTRIFICATION. Sen. Gore inserted a statement by Sen. Anderson urging rejection of the Dixon-Yates contract (pp. A4897-8). He also inserted a Louisville Courier-Journal editorial giving the history of the Dixon-Yates controversy and recommending further investigation of attempts by the Administration to put through the Dixon-Yates contract (pp. A4898-4900).

Sen. Butler inserted a Wall Street Journal article, "Power Propaganda," stating that public power advocates have distorted the issues in the controversy between private and public power interests, and recommending that proposal of the Hoover Commission concerning power production be adopted (p. A4901).

Sen. Anderson inserted a newspaper article opposing the Dixon-Yates contract (p. A4905).

Rep. Cannon inserted a St. Louis Post-Dispatch editorial favoring REA and criticizing recommendations of the Hoover Commission which would favor private power interests (p. A4936).

Rep. Wilson inserted an article by Rep. Hosmer in the San Diego Tribune, warning Californians to fight the upper Colorado River project and charging that the project violates the terms of the Colorado River compact (p. A4922).

Rep. Hiestand inserted editorials from newspapers in Colorado (p. A4905) and Alabama (p. A4908) opposing the upper Colorado River storage project.

Rep. Hosmer inserted two "Bananas on Pikes Peak" articles giving arguments against the upper Colorado River storage project (pp. A4929, A4930).

24. MONOPOLIES. Rep. Smith, Miss., inserted an editorial from Fortune Magazine criticizing the President of Westinghouse for advocating higher tariffs on electrical equipment (p. A4905).

25. FOREIGN AID. Sen. Schoeppel inserted a Wall Street Journal editorial warning against possible public misunderstanding of the scope of the foreign aid program due to the replacement of FOA by ICA (p. A4907).

LOAN PROGRAM SIMPLIFICATION

JULY 7 (legislative day, JULY 6), 1955.—Ordered to be printed

Mr. SCOTT, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1758]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1758) to amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill would simplify and reduce the cost of the insured farm ownership loan program under title I of the Bankhead-Jones Farm Tenant Act. The bill and the committee amendments are fully explained in the attached subcommittee report and the attached letter from the Department of Agriculture requesting this legislation. There was no opposition to the bill.

REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON S. 1758

Your subcommittee, to whom was referred the bill (S. 1758) to amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans, having considered the same report thereon with the recommendation that it do pass with amendments.

S. 1758, with the subcommittee amendments, would simplify administration (thereby reducing costs) of the insured farm ownership loans provided for by the Bankhead-Jones Farm Tenant Act by—

(1) Permitting mortgages securing insured loans to be made direct to the Secretary of Agriculture (instead of to the lender), thereby eliminating the need for the lender's consent to loan servicing actions affecting the mortgage, making the loans more readily transferable since many States require recording of mortgage assignments, and removing the loans from classification as real estate loans for the purpose of limitations on the amount of such type of loans which banks may hold;

(2) Permitting conversion of (i) insured mortgages and (ii) direct loans to this new type of direct mortgage insured loan;

(3) Eliminating, in the case of these direct mortgage insured loans, the lender's option to collect the insurance where the borrower is in default for 12 months and eliminating the necessity of notifying holders of such loans of such default (since the default is of no consequence to the lender, who receives amounts equal to the defaulted payments from the insurance fund, and since it is to the Government's advantage to postpone payments from the insurance fund, particularly where the default may be cured);

(4) Eliminating the requirement that the Secretary act "promptly" in (i) remitting collections to lenders (since some borrowers repay as often as twice a month and cumulating these payments would save bookkeeping costs) and (ii) advising lenders of borrowers' defaults and paying the amounts defaulted (since short delays by borrowers should not necessitate drawing on the insurance fund); and

(5) Making default in payment of principal or interest the only kind of default entitling holders of old type insured mortgages to notice or to collection from the insurance fund (rather than every breach of a covenant which might be regarded as a default).

As introduced, the bill would permit only loans insured or made prior to enactment of the bill to be converted to the new direct mortgage type insured loan. This would mean that even those loans insured or made between enactment of the bill and issuance of regulations providing for the new type loans could not be converted. In order to make it possible for all loans to be converted and a uniform system to be established, your subcommittee recommends that the word "heretofore" be deleted from lines 22 and 23 on page 2.

The views of the Department of Agriculture are attached.

OLIN D. JOHNSTON, *Chairman.*

CLINTON P. ANDERSON.

W. KERR SCOTT.

KARL E. MUNDT.

ANDREW F. SCHOEPPPEL.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,

OFFICE OF THE SECRETARY,

Washington, April 4, 1955.

The PRESIDENT OF THE SENATE,
United States Senate:

There is submitted herewith for consideration by the Congress, a proposed bill which would amend title I of the Bankhead-Jones Farm Tenant Act, as amended, in several aspects.

The amendments proposed are primarily for the purpose of simplifying the administration of the insured mortgage provisions of the act. The first section of the proposed bill would authorize the Secretary of Agriculture to insure loans and to secure such loans by mortgages taken with the Government named as mortgagee, rather than the insured lender named as mortgagee. The lender would hold only the note endorsed for insurance. This change would eliminate the necessity of requesting insured lenders to consent to loan servicing actions such as subordinations, partial releases, and satisfactions. Since the full payment of principal and interest is guaranteed, many lenders have objected to the fact that their consent is now required in connection with many loan servicing actions. The first section of the proposed bill would remove these objections and the cost, both to the Government and the lender, in connection with such servicing actions, would be reduced. It is likely that more lenders would be interested in making loans insured under this proposed simplified procedure.

The proposed addition of section 16 (c) to the act would authorize the conversion of existing insured mortgages to insured loans as outlined above. The conversion of mortgages heretofore insured is desirable in connection with the proposed insurance of loans, so that the servicing of all insured loans can be handled in the same manner. Administrative costs would be reduced when this is accomplished.

Under section 16 (c), the Secretary would also be authorized to convert any direct loans heretofore made under the act to insured loans. The result would be to return Federal funds to the Treasury at the time of such conversion rather than when payments are received from the borrower. This would be a further step in the maximum utilization of private and cooperative funds for agricultural credit.

Section 16 (d) of the proposed bill provides that the holder of a note insured or converted under the proposed section 16 would not be entitled to assign the note to the Secretary for its full value as provided in section 13 (a) at the end of 1 year from the date of default, but would be entitled to the value of the note only pursuant to a repurchase agreement under section 12 (j) or when the assignment of the note is required by the Secretary in default cases under section 13 (d). Some borrowers may be unable to make the full annual payment at the time it is due because of crop failures or similar reasons. Some are unable to make up the full defaulted payments within 12 months. In cases in which the borrower can be expected to cure the default within a reasonable period, the present requirement that, at the option of the lender, the defaulted mortgage be purchased at the end of 12 months from the date of default puts an unwarranted burden on the insurance fund. Under the proposed bill, the lender will continue to receive the annual installments either from the borrower's payments or from the fund until the default is corrected. The lender will be required to hold the mortgage until the default is serious enough to warrant foreclosure or other action to liquidate the borrower's account. Upon the adoption of this provision, no good purpose would be served by sending the lender a notice of default. This amendment would eliminate one costly step in loan servicing.

Section 2 of the bill proposes a clarification of the provisions of section 12 (f) (1) of the act relating to the remittance of collections to the insured lender and to notification to the lender of defaults by the borrower. The act now provides that any collections shall be promptly remitted to the lender, and also contains a prohibition against provisions in the mortgage restricting prepayments. While these loans are amortized in annual installments, some borrowers make payments as frequently as twice a month. The remittance of each of these collections to the lender imposes an additional bookkeeping cost out of proportion to the amount of the collection. Under the proposed bill, collections could be accumulated by the Government and remitted to the lender, probably at intervals of not to exceed 3 months. The cost to the Government and to the lender in entering credits on the account would be reduced under this proposal.

The act now provides that the Secretary shall notify the lender promptly of any default. It also provides that after the loan has been in default for more than 1 year, the lender is entitled to the benefits of the insurance. It is proposed in sections 2, 3, and 4 of the bill with respect to insured mortgages held by lenders, to limit the notice to be given to the lender in cases where the default is in repayment of principal and interest, rather than in every case of a breach of any covenant in the mortgage which might be considered a default. The right to insurance benefits on such insured mortgages would also be limited to defaults in the payment of principal and interest installments. Also, it will be possible to avoid drawing on the mortgage insurance fund to pay lenders who hold mortgages to cover delays, not to exceed 30 days, by borrowers in making their payments after the due date of 1 installment. These changes would further reduce the cost of administration without any substantial interference with the rights of the holders of the insured notes.

The enactment of these proposed amendments would make it possible for the procedures for insured loans under the act to be consistent with those under Public Law 597, 83d Congress, in connection with soil and water conservation loans.

The proposed amendments will not require any increase in budget expenditures. The cost of converting insured mortgages and direct loans to insured loans under section 16 (c) of the proposed bill can be absorbed.

The Department recommends the enactment of the proposed legislation.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

TITLE I—TENANT PURCHASE LOANS AND MORTGAGE INSURANCE

SEC. 12. * * *

(f) (1) The Secretary shall [promptly] remit to the mortgagee under any mortgage insured under this title any sums collected by [it] *him* as agent for the mortgagee. The Secretary shall [promptly] advise any such mortgagee of any default *in the payment of principal or interest* by the mortgagor.

(2) If the mortgagor has failed to pay to the Secretary the full amount of any installment on or before the due date thereof, the Secretary shall pay [promptly] the unpaid amount of such installment of principal and interest to the mortgagee, less the amount of any previous prepayments except payments from proceeds from the voluntary or involuntary sale of any part of the mortgaged property or from royalties from leases under which the value of the security is depreciated.

SEC. 13. (a) In any case in which the mortgagor under a mortgage insured under [section 12] *this title* is in default *in the payment of principal or interest* for more than twelve months, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon assignment to the Secretary of (1) all the mortgagee's rights and interests arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction; (3) all policies of title or other insurance and all surety bonds and other guaranties and any and all claims thereunder relating to the mortgage or the mortgaged property; (4) any balance of the mortgage loan not advanced to the mortgagor; and (5) any cash or property held by the mortgagee, or to which he is entitled, as deposit made for the account of the mortgagor and which has not been applied in reduction of the principal of the mortgage indebtedness; and upon transfer to the Secretary of such originals or copies of records, documents, books, papers and accounts relating to the mortgage transaction, as the Secretary prescribes. Upon such assignment and transfer, the Secretary shall pay to the mortgagee, in cash, an amount equal to the value of the mortgage and the note and mortgage shall thereupon become a part of the fund. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Secretary, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount of all unpaid interest and the amount of all payments which have been made by the mortgagee for taxes, special assessments, water rates, and other payments in discharge of liens which are prior to the mortgage, and insurance on the property mortgaged, and by deducting from such total amount any amount received on account of the mortgage indebtedness after such default.

SEC. 16. (a) *The Secretary is authorized to insure and to make commitments for the insurance of loans made for the purposes specified in this title (including those made in accordance with the Act of October 19, 1949) and to take as security for the obligations entered into in connection with such loans first mortgages on the farms with respect to which such loans are made and such other security as may be required by the Secretary. Such mortgages shall create a lien running to the United States for the benefit of the fund, notwithstanding the fact that the note may be held by the lender or his assignee.*

(b) *Loans insured under this section shall be subject to all the provisions of this title, except as otherwise provided in this section, and with respect to such loans, the terms used in this Act shall have the following meanings as the context requires:*

(1) *"Mortgage" shall mean "loan" or "the instruments relating to a loan";*

(2) *"Insured mortgage" shall mean "note endorsed for insurance";*

(3) *"Mortgagor" shall mean "borrower" or "obligor on the note";*

(4) *"Mortgagee" shall mean "lender" or "holder of insured note."*

(c) *Any mortgage heretofore insured or any loan heretofore made under this Act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of appropriations for administrative expenses.*

(d) *In connection with loans insured or converted under this section (1) the holder of the insured note shall be entitled to receive the benefits of the insurance as provided in section 13 (a) only in accordance with an agreement pursuant to section 12 (j) or when the assignment of the note is required by the Secretary, and (2) notice of default to the lender under section 12 (f) shall not be required.*



July 7, 1955

13. ~~TRADE DEVELOPMENT; ONIONS; FARM LOANS; TOBACCO; WEATHER; PRICE SUPPORTS.~~ The Agriculture and Forestry Committee reported ~~with amendment S. 2253, to increase funds for Public Law 480 and transfer its administration to USDA (S. Rept. 767); without amendment H. R. 122, to amend the Commodity Exchange Act so as to include onions (S. Rept. 766); with amendments S. 1758, to amend the Farm Tenant Act to provide additional authority for insurance of loans (S. Rept. 703); with amendments S. J. Res. 75, to provide for a report from this Department on tobacco research programs (S. Rept. 704); with amendments S. Res. 82, requesting a report from this Department on horticultural and agricultural weather forecasting (S. Rept. 765); and without amendment S. Res. 123, authorizing \$20,000 for the committee to conduct field hearings on price supports (S. Rept. 764) (pp. 8627-8).~~
14. ~~FORESTRY.~~ The Interior and Insular Affairs Committee reported without amendment H. R. 4046, to abolish the Old Kasaan National Monument, Alaska, and transfer its land to the Tongass National Forest (S. Rept. 707) (p. 8628).
15. ~~BANKRUPTCY.~~ The Judiciary Committee reported without amendment S. 689, to amend the Bankruptcy Act regarding farmer-debtor relief (S. Rept. 709) (p. 8628).
16. ~~RECLAMATION.~~ Received from GAO an audit report (parts 1 and 2) on the Bureau of Reclamation, Interior Dept., for the fiscal years 1952 and 1953; to Government Operations Committee (p. 8626).
17. ~~BUDGET AND ACCOUNTING.~~ Sen. Payne commended the Hoover Commission report on Budget and Accounting, urged adoption of the recommendations, and inserted the 25 recommendations proposed by the Commission (pp. 8630-2).
18. ~~DEFENSE PRODUCTION.~~ S. 2391, to extend the Defense Production Act for 2 years, which had previously been made the unfinished business, was put aside for the consideration of other legislation (pp. 8633, 8637).
19. ~~BUILDINGS.~~ Passed as reported S. 1210, to amend the Public Buildings Act of 1949 so as to eliminate the one-year limitation on the period of leases of space for Federal agencies in D. C. and to make it possible to lease such space for periods not in excess of 5 years (pp. 8637, 8645).
20. ~~RIVER COMPACT.~~ Passed as reported S. 787, to authorize the 10 States of the Missouri River Basin to negotiate and enter into a compact for a basinwide comprehensive program of conservation and development of the water resources of the basin (p. 8645).
21. ~~FOOD AND DRUGS.~~ Sen. Purtell discussed the report and recommendations of the Citizens Advisory Committee on the Food and Drug Administration and inserted a list of some of the important recommendations (pp. 8635-6).
22. ~~RECLAMATION; ELECTRIFICATION.~~ Sen. Neuberger spoke in favor of the proposed Hells Canyon Dam (pp. 8637-9).
Sen. Douglas inserted Raymond Moley's reply to the statement of Sen. Watkins concerning the proposed upper Colorado River project (pp. 8639-40).
23. ~~PERSONNEL.~~ Sen. Johnston criticized a Civil Service Commission departmental circular which was issued regarding the classification and status of career attorneys in the competitive Civil Service (p. 8639).

24. APPROPRIATIONS. Sen. Byrd, as Chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, inserted a statement showing, by departments, the unexpended balances of appropriations and authorizations as of March 31, 1955 (pp. 8531-2).
25. ADJOURNED until Mon., July 11 (p. 8646). Sen. Clements announced that on Mon. there will be a call of the calendar, but that no controversial legislation will be considered on Mon. and that on Tues. the bill to amend and extend the Defense Production Act will be considered (p. 8646).

BILLS INTRODUCED

26. PERSONNEL. S. 2430, by Sen. Johnston, S. C., to amend section 9 of the Hatch Act so as to eliminate the provision thereof requiring 90 days' suspension as a minimum penalty for violations; to Rules and Administration Committee (p. 8628). Remarks of author (p. 8629).

H. Res. 304, by Rep. Murray, Tenn., to authorize the Committee on Post Office and Civil Service to conduct investigations and studies with respect to certain matters within its jurisdiction; to Rules Committee (p. 8685).

CONTRACTS.

27. MINIMUM WAGE; S. 2431, by Sen. Smith, Maine (for herself and others), to facilitate and expedite the making of minimum wage determinations and other determinations and interpretations by the Secretary of Labor under the Walsh-Healey Act; to Labor and Public Welfare Committee (p. 8628). Remarks of author (p. 8629).

28. FORESTRY. S. 2433, by Sen. Kefauver (for himself and Sen. Langer), to provide for the establishment, within the national parks of the United States, of a series of Federal forestry camps for the training, education, rehabilitation, security, and correction of male juvenile delinquents; to Interior and Insular Affairs Committee (p. 8629). Remarks of author (pp. 8629-30).

H. R. 7204,

29. LANDS. /by Rep. Brooks, La., to authorize the Secretary of Agriculture to use receipts from lands being administered under title III of the Bankhead-Jones Farm Tenant Act to maintain and improve such lands; to Agriculture Committee (p. 8684).

30. ACCOUNTING. H. R. 7206, by Rep. Cooper, to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies or instrumentalities; to Ways and Means Committee (p. 8684).

H. R. 7209, by Rep. Frelinghuysen, to provide for improving accounting methods in the executive branch of the Government, etc; to Government Operations Committee (p. 8684).

31. FOREIGN TRADE. H. R. 7210, by Rep. Gathings, to amend the Agricultural Trade Development and Assistance Act of 1954 so as to establish more clearly the policy of Congress as to expansion of foreign trade in agricultural commodities; to Agriculture Committee (p. 8684).

ITEMS IN APPENDIX

32. FARM BUREAU INSTITUTE. Rep. Belcher inserted an editorial, "Farm Bureau Teaches Citizenship at the Grass Roots," which describes efforts of this organization toward fostering good citizenship and also gives some of its views on agriculture (p. 4953).

Calendar No. 709

84TH CONGRESS
1ST SESSION

S. 1758

[Report No. 703]

IN THE SENATE OF THE UNITED STATES

APRIL 20 (legislative day, APRIL 18), 1955

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

JULY 7 (legislative day, JULY 6), 1955

Reported by Mr. SCOTT, with amendments

[Omit the part struck through]

A BILL

To amend the Bankhead-Jones Farm Tenant Act, as amended,
to modify, clarify, and provide additional authority for insur-
ance of loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Bankhead-Jones Farm Tenant Act, as amended
4 (7 U. S. C. 1000 and the following), is further amended
5 as follows:

6 Title I of the Act is amended by the addition of the
7 following new section 16:

8 “SEC. 16. (a) The Secretary is authorized to insure
9 and to make commitments for the insurance of loans made
10 for the purposes specified in this title (including those made

1 in accordance with the Act of October 19, 1949) and to
2 take as security for the obligations entered into in connec-
3 tion with such loans first mortgages on the farms with
4 respect to which such loans are made and such other secu-
5 rity as may be required by the Secretary. Such mortgages
6 shall create a lien running to the United States for the
7 benefit of the fund, notwithstanding the fact that the note
8 may be held by the lender or his assignee.

9 “(b) Loans insured under this section shall be subject
10 to all the provisions of this title, except as otherwise provided
11 in this section, and with respect to such loans, the terms
12 used in this Act shall have the following meanings as the
13 context requires:

14 “(1) ‘Mortgage’ shall mean ‘loan’ or ‘the instruments
15 relating to a loan’;

16 “(2) ‘Insured mortgage’ shall mean ‘note endorsed for
17 insurance’;

18 “(3) ‘Mortgagor’ shall mean ‘borrower’ or ‘obligor on
19 the note’;

20 “(4) ‘Mortgagee’ shall mean ‘lender’ or ‘holder of in-
21 sured note’.

22 “(c) Any mortgage ~~heretofore~~ insured or any loan
23 ~~heretofore~~ made under this Act may be converted to an
24 insured loan under this section at the discretion of the
25 Secretary, and any expenses in connection with such con-

1 version may be paid out of appropriations for administrative
2 expenses.

3 “(d) In connection with loans insured or converted
4 under this section (1) the holder of the insured note shall
5 be entitled to receive the benefits of the insurance as provided
6 in section 13 (a) only in accordance with an agreement
7 pursuant to section 12 (j) or when the assignment of the
8 note is required by the Secretary, and (2) notice of default
9 to the lender under section 12 (f) shall not be required.”

10 SEC. 2. Section 12 (f) (1) is amended by striking the
11 word “promptly” in both the first and second sentences, by
12 inserting after the word “default” in the second sentence the
13 words “in the payment of principal or interest,” and by
14 striking the word “it” in the first sentence and inserting in
15 lieu thereof the word “him”.

16 SEC. 3. Section 12 (f) (2) is amended by striking
17 the word “promptly”.

18 SEC. 4. Section 13 (a) is amended by striking the words
19 “section 12” in the first sentence, inserting in lieu thereof
20 the words “this title”, and by inserting the words “in the
21 payment of principal or interest” after the word “default”
22 where it first appears in the first sentence.

[Report No. 703]

A BILL

To amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

By Mr. ELLENDER

APRIL 20 (legislative day, April 18), 1955
Read twice and referred to the Committee on
Agriculture and Forestry
JULY 7 (legislative day, July 6), 1955
Reported with amendments

July 11, 1955

the reimbursement of Commodity Credit Corporation and provides that the limitation of \$100 million shall apply to the amount of the expenditure of foreign currencies rather than to the value of the houses. This will enable the Department of Defense, in appropriate cases, to utilize troop labor without a reduction in the total of the authority to use proceeds from the sale of surplus agricultural commodities. The amendment will also provide a more realistic basis for the reimbursement of the Commodity Credit Corporation. It will enable the Department of Defense to cooperate and assist in the surplus agricultural commodities disposal program and to reimburse the Commodity Credit Corporation through payments that otherwise would be made to military personnel as rental allowances without increasing the Defense budget."

This bill will now be sent to the President.

17. TRADE DEVELOPMENT. Upon request of Sen. Butler, passed over S. 2253, to increase funds for Public Law 480 and transfer its administration to this Department (p. 8738). Sen. Magnuson submitted an amendment which he intends to propose to this bill (p. 8695).
18. REFUGEE RELIEF. Sen. Lehman spoke in favor of S. 2113, to amend the Refugee Relief Act of 1953, and inserted correspondence and various resolutions urging enactment of the bill (pp. 8703-4).
19. REORGANIZATION. Sen. Cotton urged "full and fearless consideration to every recommendation of the Hoover Commission reports without further delay" (pp. 8711-2).
20. LIVESTOCK LOANS. Passed with amendment H. R. 4915, by inserting the language of S. 1372, to extend for an additional 2 years the period for special livestock and emergency assistance to farmers and stockmen (p. 8717).
21. TOBACCO RESEARCH. Passed as reported S. J. Res. 75, to require a report from this Department, by Jan. 1, 1956, on a program for research on tobacco production, utilization, and marketing (pp. 8726-7).
22. FORESTRY. Passed without amendment H. R. 4046, to abolish the Old Kasaan National Monument, Alaska, and transfer its land to the Tongass National Forest (pp. 8727-8). This bill will now be sent to the President.
23. COMMODITY EXCHANGES; ONIONS. Passed without amendment H. R. 122, to add onions to the commodities subject to futures trading regulation under the Commodity Exchange Act (p. 8738). This bill will now be sent to the President.
24. WEATHER. Agreed to, S. Res. 82, requesting that a report be made not later than Jan. 16, 1956, to the Agriculture and Forestry Committee by the Commerce Department and this Department as to steps taken to improve and expand horticultural and agricultural weather forecasting services (p. 8738).
25. ELECTRIFICATION. Sens. Langer, Morse, Neuberger and others discussed the administration's power policies, and criticized the recommendations of the Hoover Commission regarding REA (pp. 8739-46).
 Sen. Neuberger criticized the administration's "failure to defend the public resource at Hells Canyon" and inserted a Denver Post editorial on this subject (pp. 8746-8).

26. PRICE SUPPORTS. S. Res. 123, authorizing additional funds of \$20,000 for the Agriculture and Forestry Committee to conduct field hearings on the farm price support program, was referred to the Rules and Administration Committee (p. 8738).
27. WHEAT. Sen. Morse spoke in favor of his bill to provide a two-price wheat plan, and inserted an Oregon Wheat Growers' League letter expressing their views as to the meaning of the vote on wheat marketing quotas (p. 8761).
28. FARM LOANS. Passed as reported S. 1758, which would amend the Bankhead-Jones Farm Tenant Act by (1) permitting mortgages securing insured loans to be made directly to the Secretary of Agriculture (instead of to the lender); (2) permitting conversion of insured mortgages and direct loans to this new type of direct mortgage insured loan; (3) eliminating, in the case of these direct mortgage insured loans, the lender's option to collect the insurance where the borrower is in default for 12 months and eliminating the necessity of notifying holders of such loans of such default; (4) eliminating the requirement that the Secretary act "promptly" in remitting collections to lenders and advising lenders of borrowers' defaults and paying the amounts defaulted; and (5) making default in payment of principal or interest the only kind of default entitling holders of old type insured mortgages to notice or to collection from the insurance fund (p. 8726).
- Passed without amendment S. 689, which would add to the Bankruptcy Act a new chapter XVI regarding "farmer-debtor relief" to become a permanent part of the law and replace Sec. 75 (pp. 8728-33).
29. LEGISLATIVE PROGRAM. Sen. Clements stated that as soon as the House completes action on the public works appropriation bill it will be considered by the Senate and that in his judgment the Defense Production Act bill will not be considered until Thursday (p. 8764).

BILLS INTRODUCED

30. PERSONNEL. S. 2437, by Sen. Carlson, to conform the rate of compensation for the position of Solicitor in the Department of Labor to the rate of compensation provided for comparable positions; to Post Office and Civil Service Committee (p. A8690).
- S. 2477, by Sen. McCarthy, providing for a simplified performance rating system for Federal employees; to Post Office and Civil Service Committee (p. 8691).
- S. 2485, by Sen. McCarthy, to provide for improvement in the system of personnel administration through the establishment of a senior civil service in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government; to Post Office and Civil Service Committee (p. 8691).
- S. 2486, by Sen. McCarthy, relating to the certification of eligibles under the civil-service laws; to Post Office and Civil Service Committee (p. 8691).
- S. 2487, by Sen. McCarthy, relating to the simplification of the general schedule of the Classification Act of 1949, as amended; to Post Office and Civil Service Committee (p. 8691).
- S. 2489, by Sen. McCarthy, relating to reduction in personnel procedure and preference of veterans; to Post Office and Civil Service Committee (p. 8691).
- S. 2490, by Sen. McCarthy, relating to the transfer of Federal employees from the classified civil service to another personnel merit system; to Post Office and Civil Service Committee (p. 8691).

84TH CONGRESS
1ST SESSION

S. 1758

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 1955

Referred to the Committee on Agriculture

AN ACT

To amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Bankhead-Jones Farm Tenant Act, as amended
4 (7 U. S. C. 1000 and the following), is further amended
5 as follows:

6 Title I of the Act is amended by the addition of the
7 following new section 16:

8 “SEC. 16. (a) The Secretary is authorized to insure
9 and to make commitments for the insurance of loans made
10 for the purposes specified in this title (including those made

1 in accordance with the Act of October 19, 1949) and to
2 take as security for the obligations entered into in connec-
3 tion with such loans first mortgages on the farms with
4 respect to which such loans are made and such other secu-
5 rity as may be required by the Secretary. Such mortgages
6 shall create a lien running to the United States for the
7 benefit of the fund, notwithstanding the fact that the note
8 may be held by the lender or his assignee.

9 “(b) Loans insured under this section shall be subject
10 to all the provisions of this title, except as otherwise provided
11 in this section, and with respect to such loans, the terms
12 used in this Act shall have the following meanings as the
13 context requires:

14 “(1) ‘Mortgage’ shall mean ‘loan’ or ‘the instruments
15 relating to a loan’;

16 “(2) ‘Insured mortgage’ shall mean ‘note endorsed for
17 insurance’;

18 “(3) ‘Mortgagor’ shall mean ‘borrower’ or ‘obligor on
19 the note’;

20 “(4) ‘Mortgagee’ shall mean ‘lender’ or ‘holder of in-
21 sured note’.

22 “(c) Any mortgage insured or any loan made under

1 this Act may be converted to an insured loan under this
2 section at the discretion of the Secretary, and any expenses
3 in connection with such conversion may be paid out of
4 appropriations for administrative expenses.

5 “(d) In connection with loans insured or converted
6 under this section (1) the holder of the insured note shall
7 be entitled to receive the benefits of the insurance as provided
8 in section 13 (a) only in accordance with an agreement
9 pursuant to section 12 (j) or when the assignment of the
10 note is required by the Secretary, and (2) notice of default
11 to the lender under section 12 (f) shall not be required.”

12 SEC. 2. Section 12 (f) (1) is amended by striking the
13 word “promptly” in both the first and second sentences, by
14 inserting after the word “default” in the second sentence the
15 words “in the payment of principal or interest,” and by
16 striking the word “it” in the first sentence and inserting in
17 lieu thereof the word “him”.

18 SEC. 3. Section 12 (f) (2) is amended by striking
19 the word “promptly”.

20 SEC. 4. Section 13 (a) is amended by striking the words
21 “section 12” in the first sentence, inserting in lieu thereof
22 the words “this title”, and by inserting the words “in the

- 1 payment of principal or interest” after the word “default”
- 2 where it first appears in the first sentence.

Passed the Senate July 11, 1955.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

To amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

JULY 12, 1955

Referred to the Committee on Agriculture

July 30, 1955

deny a license to any applicant who has been involved in bankruptcy proceedings within 3 years unless the applicant furnishes a bond or other assurance, empower the Secretary to suspend the license of a person who employs in any responsible position an individual whose license is under suspension, and provide authority for the inspection of any perishable commodity covered by the Act (pp. 10590-1).

Passed as reported S. 1757, to amend the Agricultural Marketing Act of 1946 so as to remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and to expand and tighten provisions for such penalties (p. 10607).

The Agriculture Committee reported without amendment H. R. 4054, to provide for loans for development of central market facilities to handle perishable agricultural commodities (H. Rept. 1602)(p. 10677).

50. FARM LOANS. Passed without amendment S. 1758, to amend the Bankhead-Jones Farm Tenant Act relating to the insurance of farm real estate mortgages so the mortgages can be made directly to the Government instead of to the banks (pp. 10593-4). This bill will now be sent to the President.

Passed as reported S. 1621, to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the Wheeler-Case Act of 1939 (p. 10655).

51. RESEARCH. Passed as reported S. 1759, to consolidate authorization legislation regarding Federal aid to State agricultural experiment stations (pp. 10594-6).

52. COMMODITY EXCHANGES. Passed without amendment S. 1051, to amend the Commodity Exchange Act so as to authorize increases in fees and charges for registrations and renewals and for copies of registration certificates (p. 10601). This bill will now be sent to the President.

53. TRADE DEVELOPMENT. Passed without amendment S. 2253, to reemphasize trade development as the primary purpose of title I of Public Law 480, 83d Congress; to increase the funds available under that title from \$700 million to \$1.5 billion; and to authorize the Secretary of Agriculture to determine the nations with whom agreements will be negotiated, and the quantities and commodities involved (pp. 10601-2). This bill will now be sent to the President.

54. EXTENSION WORK. Passed as reported S. 2098, to authorize special appropriations for extension work among low-income farmers (pp. 10612-13).

55. DEFENSE PRODUCTION. Passed with amendment S. 2391, to amend and extend the Defense Production Act. Several amendments, to prohibit without-compensation employees, were rejected. House and Senate conferees were appointed. (pp. 10620-30, 10774-5).

56. SUGAR. Passed, 194 to 44, with amendments H. R. 7030, to amend and extend the Sugar Act of 1948 (pp. 10630-51). Agreed, 123-37, to an amendment by Rep. Dixon to strike out Sec. 20 of the committee version, which provides that sugar shall be supported at 90% of parity through loans, purchases, or other operations (pp. 10645-51). Agreed to an amendment by Rep. Laird to strike out provisions directed at Peru and the Philippines (pp. 10644-5).

57. SUPPLEMENTAL APPROPRIATION BILL, 1956. Both Houses agreed to the conference report on this bill, H. R. 7278, and acted upon amendments in disagreement (pp. 10554-9, 10733-5). This bill will now be sent to the President. A statement on the USDA items is attached to this Digest.

38. INTERGOVERNMENTAL RELATIONS. Sen. Butler inserted a newspaper article favoring Federal collaboration with State and local governments (p. A5627).
39. COOPERATIVES; TAXATION. Rep. Cooper inserted a letter from the Secretary of the Treasury suggesting that the legislation on income taxation of cooperatives be tightened (pp. A5632-3).
40. ELECTRIFICATION. Sen. Bender inserted an address by J. B. Black favoring a Government-private "partnership" in the power development of the West (pp. A5636-8).

BILLS INTRODUCED - July 29

41. CLAIMS; APPROPRIATIONS. S. 2678, by Sen. Smith, N. J., "relating to the payment of certain claims against the Government where the appropriations therefor have lapsed"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).
42. MARKETING. S. 2634, by Sen. Ellender, "to facilitate the marketing of agricultural commodities"; to Agriculture and Forestry Committee (p. 10341).
43. ACCOUNTING. S. 2677, by Sen. Smith, N. J., "to relieve certain officers of financial liability except in cases of gross negligence or fraud"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).
44. ROADS. H. R. 7729, by Rep. Dempsey, to authorize road appropriations; to Public Works Committee (p. 10466).
45. LAND TRANSFER. H. R. 7723, to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the Chamber of Commerce of Rolla, Mo.; to Agriculture Committee (p. 10466).
46. CONSERVATION. H. J. Res. 415-425, to provide for observance of the 50th anniversary of the founding of the conservation movement for natural resources; to Judiciary Committee (p. 10467).
47. PERSONNEL. H. J. Res. 426, by Rep. Moss, to authorize the President to proclaim as Civil Service Week the week beginning Jan. 17, 1956, in commemoration of the 73rd anniversary of the American civil-service system; to Judiciary Committee (p. 10467).

HOUSE - July 30

48. SOIL CONSERVATION. Passed without amendment S. 1167, to permit ACP payments to persons who carry out conservation practices on federally owned noncropland which directly conserve or benefit nearby or adjoining private lands of such persons (p. 10589). This bill will now be sent to the President.
Passed without amendment H. R. 7236, to permit approval of water conservation practices under ACP in any State instead of "in arid or semiarid sections" (p. 10592).
49. MARKETING. Passed with amendments H. R. 5337, to amend the Perishable Agricultural Commodities Act so as to strengthen the provisions relating to misbranding or misrepresentation of grade and origin of fresh fruits and vegetables, increase the maximum annual license fee from the present \$15 per year to \$25, permit the Secretary of Agriculture to deny issuance of a license to any person convicted of a felony in any State or Federal court, authorize the Secretary to

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if a Member can tell me how much it is proposed to increase the fees of trustees in bankruptcy and in what way is it proposed to increase these fees?

Mr. CELLER. There is a graduated increase for trustees in bankruptcy. The fees of trustees have not been changed since 1910. That is 45 years ago. The gentleman realizes that the purchasing value of the dollar has changed in those 45 years. One cannot tell what this will involve in toto. We do not presently know what these amounts are in these bankrupt estates; however, the amount is very small on estates below \$10,000. On amounts above \$10,000 there are slight percentage increases, the increases being almost inconsequential. There is an attempt made to evaluate in accordance with the change in the value of the dollar. Remember there is no cost to the Government. All trustees fees are paid out of the estates in bankruptcy under court discretion.

This bill has been recommended by the Judicial Conference, which is composed of the Chief Justice of the United States Supreme Court and the chief judges of all the circuit courts throughout the United States, namely the nine circuits. It originated with the Judicial Conference and it has the approval of most of the bar associations.

Mr. GROSS. What are the percentage increases, if the gentleman will tell us?

Mr. CELLER. If the gentleman will look on page 3 of the report he will find that the increases are as follows. These are the ultimate amounts: On the first \$500, 10 percent.

Mr. GROSS. On the first \$500, did I hear the gentleman correctly, 10 percent?

Mr. CELLER. The total fee on a \$500 estate would be 10 percent. It would be 10 percent on the next \$1,000. It would be 3 percent on the next \$8,500, 2 percent on the next \$15,000, and 1 percent on \$25,000 or over.

Mr. GROSS. I will say to the gentleman that I am interested in this because of the fact that farm income is steadily decreasing, and if it continues to go down, we may again have a good many bankruptcies in the agricultural areas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOFFMAN of Michigan. I object, Mr. Speaker.

WAIVER OF STATE RESIDENCE REQUIREMENTS IN CERTAIN ELECTIONS

The Clerk called the resolution (H. Con. Res. 94) favoring the waiver of State residence requirements in certain elections.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. MULTER. Mr. Speaker, reserving the right to object, may we have an explanation of the bill?

Mr. CURTIS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield.

Mr. CURTIS of Massachusetts. It so happens that the national president of the Mayors Association resides in the district which I represent. They are very much interested in the problem which arises when a person moves from one State to another shortly before a national election and does not, under the laws of the State, have a chance to qualify in his new State. He is disfranchised, and it is very unfair in many cases. They have been seeking a remedy, and support this resolution, under which the Congress expressing itself as favoring and recommending to the several States the consideration of appropriate legislation to meet this problem. That is all we are doing by this resolution. It is something that the mayors have been asking for for several years, and I hope that it will not be objected to at this time.

Mr. MULTER. In other words, this bill does not attempt to change any election laws but merely recommends to the States that they consider making changes?

Mr. CURTIS of Massachusetts. That is correct.

Mr. MULTER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the concurrent resolution, as follows:

Whereas many citizens are deprived of the right to vote because they have recently moved from one State to another and have not subsequent to such move complied with the residence requirements of the State to which they have moved; and

Whereas it is desirable that citizens should be entitled to vote for the office of President and Vice President whether or not they had moved from one State to another; and

Whereas such disfranchisement could be avoided by reciprocal arrangements between the several States which would recognize the right of a citizen who had moved from one State to another to continue to vote in the State from which he had moved for such reasonable period of time as would enable him to fulfill the residence requirements in the State to which he had moved: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses itself as favoring, and recommends to the several States the immediate enactment of appropriate legislation to enable a person to vote when such person would be eligible to vote but for the fact that he had moved from one State to another and had not yet fulfilled the residence requirements of such State to which he had moved.

With the following committee amendments:

Page 2, line 3, strike out "immediate enactment" and insert "consideration."

Page 2, line 5, after the word "vote", insert "for President and Vice President."

The committee amendments were agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

AMENDING THE BANKHEAD-JONES FARM TENANT ACT

The Clerk called the bill (H. R. 6914) to amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. POAGE. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1758, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BOYLE. Mr. Speaker, reserving the right to object, I would like to know what the bill provides.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. BOYLE. I yield.

Mr. POAGE. This bill provides that mortgages made to the Farmers Home Administration may be made direct to the United States Government rather than to a private banking institution, as is now required. We now make mortgages direct to the bank and the Government guarantees the mortgage. If the property is foreclosed, the Government has the right of subrogation to the bank.

Mr. BOYLE. Where is the insurance?

Mr. POAGE. When they are made directly to the United States Government, the Government then sells the mortgage to the banking institution, and in that way the banking institution acquires all the rights of the Government and is, of course, insured, because the Government has endorsed the mortgage when it sold it to them.

Mr. BOYLE. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000 and the following), is further amended as follows:

Title I of the act is amended by the addition of the following new section 16:

"Sec. 16. (a) The Secretary is authorized to insure and to make commitments for the insurance of loans made for the purposes specified in this title (including those made in accordance with the act of October 19, 1949) and to take as security for the obligations entered into in connection with such loans first mortgages on the farms with respect to which such loans are made and such other security as may be required by the Secretary. Such mortgages shall create a lien running to the United States for the benefit of the fund, notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) Loans insured under this section shall be subject to all the provisions of this title, except as otherwise provided in this section, and with respect to such loans, the terms used in this act shall have the following meanings as the context requires:

"(1) 'Mortgage' shall mean 'loan' on 'the instruments relating to a loan';

"(2) 'Insured mortgage' shall mean 'note endorsed for insurance';

"(3) 'Mortgagor' shall mean 'borrower' or 'obligor on the note';

"(4) 'Mortgagee' shall mean 'lender' or 'holder of insured note.'"

"(c) Any mortgage insured or any loan made under this act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of appropriations for administrative expenses.

"(d) In connection with loans insured or converted under this section (1) the holder of the insured note shall be entitled to receive the benefits of the insurance as provided in section 13 (a) only in accordance with a agreement pursuant to section 12 (j) or when the assignment of the note is required by the Secretary, and (2) notice of default to the lender under section 12 (f) shall not be required."

Sec. 2. Section 12 (f) (1) is amended by striking the word "promptly" in both the first and second sentences, by inserting after the word "default" in the second sentence the words "in the payment of principal or interest," and by striking the word "it" in the first sentence and inserting in lieu thereof the word "him."

Sec. 3. Section 12 (f) (2) is amended by striking the word "promptly."

Sec. 4. Section 13 (a) is amended by striking the words "section 12" in the first sentence, inserting in lieu thereof the words "this title", and by inserting the words "in the payment of principal or interest" after the word "default" where it first appears in the first sentence.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6914) was laid on the table.

LIMITATION ON PERIOD OF LEASES IN DISTRICT OF COLUMBIA

The Clerk called the bill (S. 1210) to amend the Public Buildings Act of 1949 to provide a 5-year limitation on the period of leases of space for Federal agencies in the District of Columbia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 407 of the Public Buildings Act of 1949 is amended by striking out "not in excess of 1 year," and by inserting in lieu thereof "not in excess of 5 years."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESTRICTIONS ON ADMISSION OF CATTLE AND POULTRY INTO THE VIRGIN ISLANDS

The Clerk called the bill (S. 1166) to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, what is this all about?

Mr. POAGE. If the gentleman will yield to me, this bill amends the quarantine laws in regard to livestock in the Virgin Islands, and provides for the admission from the British Virgin Islands into the United States Virgin Islands for slaughter only of cattle which have been infested by or exposed to ticks upon being freed therefrom.

At the present time our general laws which are applicable to the Virgin Islands, as well as elsewhere in the United States, prohibits the importation of livestock from any territory where they have been exposed to ticks.

Mr. HOFFMAN of Michigan. Do tick-infested animals from the British Virgin Islands get over to the American islands and then come up to Texas or to Mexico?

Mr. POAGE. We do not think they could, because it is required under the terms of this act that the cattle must have been freed from ticks before being imported from the British Islands and they must be imported only for immediate slaughter. Those are the two protections provided which we believe are adequate. The argument made to the committee was that the people on the American Virgin Islands have long been dependent upon livestock, poultry and cattle from the British Virgin Islands as a source of food.

Mr. HOFFMAN of Michigan. As I understand it, you are just moving the tick-infested animals one step closer to Texas.

Mr. POAGE. We do not think we are. The animals must have been cleaned.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw my reservation of objection.

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, as a matter of fact, one of the British Virgin Islands sends to the United States cattle, and have for a long time, either for slaughter or for other purposes. I believe this bill permits them to do what they have been doing for many years. The question I wanted to ask is this: Is it permitted, then, to bring them either into Puerto Rico or into the United States?

Mr. POAGE. If the gentleman is yielding to me, I think unquestionably any animal that was legally in the Virgin Islands has a right to come into Puerto Rico or any other part of the United States. But it could not legally be there from the Virgin Islands, under this bill, because this bill allows the importation only for immediate slaughter and consequently they could not bring an animal in from the British Virgin Islands to the American Virgin Islands or to Puerto Rico or other American territory.

Mr. HOLIFIELD. Mr. Speaker, reserving the right to object, I would like to direct this question to the gentleman. We know that some years ago animals

of the Brahma variety were brought into Mexico and eventually we had the foot-and-mouth disease which extended over into United States territory. I want to know if there is any loophole through which these animals might be brought in who would be susceptible to or who might have the foot-and-mouth disease.

Mr. POAGE. Of course, if I thought that were possible, I would not approve this bill and bring it before this body.

Mr. HOLIFIELD. I am just asking the gentleman for information.

Mr. POAGE. Obviously, that is a matter of opinion solely and simply. The Committee on Agriculture did not think there was any need for this bill, but the Committee on the Interior did think so. They came before us and suggested the need for it. We do not think there is any need for the bill. But we do not think the result of the bill will be to bring any of these diseases into the United States.

Mr. HOLIFIELD. The gentleman is aware of how many millions of dollars were spent because of the importation of these Brahma cattle which spread the disease to which I have referred. If there were any chance of that, it would be very dangerous.

Mr. POAGE. We cannot see any chance of it. As the gentleman from Nebraska [Mr. MILLER] well pointed out, the practice has been for a long time to bring these cattle across from the British islands to the United States islands without any restrictions.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOFFMAN of Michigan. Mr. Speaker, I object.

DISPOSAL OF LAND UNDER BANK- HEAD-JONES FARM TENANT ACT

The Clerk called the bill (H. R. 6815) to provide for the orderly disposition of property acquired under title III of the Bankhead-Jones Farm Tenant Act, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AGRICULTURAL EXPERIMENT STATIONS

The Clerk called the bill (S. 1759) to consolidate the Hatch Act of 1887 and laws supplementary thereto relating to the appropriation of Federal funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Hatch Act of March 2, 1887, relating to the appropriation of Federal funds for the support of State agricultural experiment stations, is hereby amended to read as follows:

"SECTION 1. It is the policy of Congress to continue the agricultural research at State

Public Law 273 - 84th Congress
Chapter 633 - 1st Session
S. 1758

AN ACT

To amend the Bankhead-Jones Farm Tenant Act, as amended, to modify, clarify, and provide additional authority for insurance of loans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000 and the following), is further amended as follows:

Title I of the Act is amended by the addition of the following new section 16:

"SEC. 16. (a) The Secretary is authorized to insure and to make commitments for the insurance of loans made for the purposes specified in this title (including those made in accordance with the Act of October 19, 1949) and to take as security for the obligations entered into in connection with such loans first mortgages on the farms with respect to which such loans are made and such other security as may be required by the Secretary. Such mortgages shall create a lien running to the United States for the benefit of the fund, notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) Loans insured under this section shall be subject to all the provisions of this title, except as otherwise provided in this section, and with respect to such loans, the terms used in this Act shall have the following meanings as the context requires:

"(1) 'Mortgage' shall mean 'loan' or 'the instruments relating to a loan';

"(2) 'Insured mortgage' shall mean 'note endorsed for insurance';

"(3) 'Mortgagor' shall mean 'borrower' or 'obligor on the note';

"(4) 'Mortgagee' shall mean 'lender' or 'holder of insured note'.

"(c) Any mortgage insured or any loan made under this Act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of appropriations for administrative expenses.

"(d) In connection with loans insured or converted under this section (1) the holder of the insured note shall be entitled to receive the benefits of the insurance as provided in section 13 (a) only in accordance with an agreement pursuant to section 12 (j) or when the assignment of the note is required by the Secretary, and (2) notice of default to the lender under section 12 (f) shall not be required."

SEC. 2. Section 12 (f) (1) is amended by striking the word "promptly" in both the first and second sentences, by inserting after the word "default" in the second sentence the words "in the payment of principal or interest," and by striking the word "it" in the first sentence and inserting in lieu thereof the word "him".

SEC. 3. Section 12 (f) (2) is amended by striking the word "promptly".

Farm tenant
loans.
Insurance au-
thority.
60 Stat. 1072.

69 Stat. 553.
69 Stat. 554.
63 Stat. 883.
7 USC 1006a,
1006b.

7 USC 1005c.
7 USC 1005b.

60 Stat. 1077.
7 USC 1005b.

62 Stat. 535.
7 USC 1005b.

7 USC 1005c. SEC. 4. Section 13 (a) is amended by striking the words "section 12" in the first sentence, inserting in lieu thereof the words "this title", and by inserting the words "in the payment of principal or interest" after the word "default" where it first appears in the first sentence.

Approved August 9, 1955.